

May 9, 2012

ITEM NO. B2

**AUTHORIZATION TO EXERCISE FIRST OPTION YEAR AND EXECUTE
AMENDMENTS TO INCREASE THE NOT-TO-EXCEED CONTRACT AMOUNTS OF
CONTRACT NO. 9048 WITH HARLEY ELLIS DEVEREAUX, CONTRACT NO. 9049
WITH HOLABIRD & ROOT, LLC AND CONTRACT NO. 9050 WITH
GLOBETROTTER ENGINEERING CORPORATION FOR ADDITIONAL PRIME
DESIGN CONSULTING SERVICES**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute Amendment No. 04 to Contract No. 9048 with Harley Ellis Devereaux and Contract No. 9049 with Holabird & Root, LLC, and Amendment No. 2 with Globetrotters Engineering Corporation to increase the not-to-exceed contract amount for additional Prime Design Consultant services at various CHA properties and exercise Option Year No. 1 for each contract.

Amendment No. 04 to Contract No. 9048 with Harley Ellis Devereaux will add funding in the amount of \$3,757,690.00 for a new total contract value not-to-exceed \$7,098,682.75. Amendment No. 04 to Contract No. 9049 with Holabird & Root, LLC will add funding in the amount of \$3,578,750.00 for a new total contract value not-to-exceed \$6,760,647.85. Amendment No. 2 to Contract No. 9050 with Globetrotters Engineering Corporation will add funding in the amount of \$3,339,810.00 for a new total contract value not-to-exceed \$6,362,612.96. The aggregate increase to these contracts is the not-to-exceed amount of \$10,736,250.

The exercise of Option Year No. 1 will extend each contract end date from 6/30/2012 to 6/30/2013. The new term of each contract will be 7/1/2009 through 06/30/2013.

FUNDING
General Fund

| | | | |
|---|---|---|--|
| | Harley Ellis Devereaux 401 W. Superior St. Chicago, IL 60610 | Holabird & Root, LLC 110 S. Dearborn St. Chicago, IL 60603 | Globetrotters Engineering Corporation 300 S. Wacker Dr. Chicago, IL 60605 |
| Contract Number | 9048 | 9049 | 9050 |
| Contract Type | Professional Services | Professional Services | Professional Services |
| Base Term of Contract | 07/01/2009 – 06/30/2012 | 07/01/2009 – 06/30/2012 | 07/01/2009 – 06/30/2012 |
| Original Contract Value (Not-to-Exceed) | \$2,100,000.00 | \$2,000,000.00 | \$1,900,000.00 |
| Amendment No. 1 – additional funding | \$1,240,992.75 | \$1,181,897.85 | \$1,122,802.96 |
| Revised Contract Value (Not-to-Exceed) | \$3,340,992.75 | \$3,181,897.85 | \$3,022,802.96 |
| Amendment No. 2 | Geographical coverage revised | Geographical coverage revised | |
| Amendment No. 3 | Geographical coverage revised | Geographical coverage revised | |
| Current Amendment 9048 / 9049 = No. 4 9050 = No. 2 | \$3,757,690.00 | \$3,578,750.00 | \$3,339,810.00 |
| Option Year No. 1 | 07/01/2012 – 06/30/2013 | 07/01/2012 – 06/30/2013 | 07/01/2012 – 06/30/2013 |
| New Term of Contract | 07/01/2009 – 06/30/2013 | 07/01/2009 – 06/30/2013 | 07/01/2009 – 06/30/2013 |
| New Contract Amount (Not-to-Exceed) | \$7,098,682.75 | \$6,760,647.85 | \$6,362,612.96 |
| AGGREGATE TOTAL TO BE ADDED TO CONTRACTS (Current Amendment Total) | | | \$10,736,250.00 |

COMPLIANCE

M/W/DBE Participation and Section 3:

Compliance affidavits are on file for Harley Ellis Devereaux and Holabird & Root, LLC. These are task order contracts.

GENERAL BACKGROUND

In February of 2009 the Chicago Housing Authority (“CHA”) solicited Architectural and Engineering firms to provide Prime Design Consulting (“PDC”) services for CHA facilities. The PDC services include assessments, design, engineering, construction documents, construction administration and close-out services. These design services were based on a construction value of approximately \$100,000,000.00 to support improvements over a five (5) year period relating to capital maintenance, unit rehabilitation, and retrofits to common areas and non-dwellings needed to comply with the requirements of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 (“ADA”).

On June 14, 2009 the Board of Commissioners approved funding in an aggregate amount not-to-exceed (“NTE”) \$6,000,000.00 to Harley Ellis Devereaux (“HED”), Holabird & Root, LLC (“H&R”) and Globetrotters Engineering Corporation (“GEC”). The NTE amount was distributed based on the final evaluation scores of the awardees as follows: 35% to HED, 33% to H&R and 32% to GEC. Each PDC was also assigned a region based on their evaluation results as follows: HED – north region; H&R – central region; and GEC – south region. Each contract has a base term of three (3) years plus the option to execute up to two (2) one-year options. The base contract term was July 1, 2009 through June 30, 2012. Each option year is subject to approval by the CHA’s Board of Commissioners.

These contracts proved extremely helpful, providing a means to quickly pick up projects originally planned to go to an out-of-state firm who had been awarded a contract in 2008 in the amount of \$4,750,000.00. That earlier contract was for the performance of the same types of PDC services but had been designed as a single source for design services in order to promote consistency of design. Over the next year this CHA strategy evolved from a single source PDC firm to a multiple PDC strategy in order to provide adequate capacity and foster greater competition. This proved to be a sound strategy because in September of 2009 the out-of-state firm ceased its operations in Chicago. The Capital Construction Department resolved all open items under the closed contract, then re-assigned uncompleted work to HED, H&R and GEC, and re-allocated the funding of \$3,545,693.56 remaining on the closed contract to the three (3) firms. This funding was distributed in the same percentages used for their base contracts. These changes were approved by the Board of Commissioners on July 20, 2010.

CONTRACTUAL CONSIDERATIONS

In order to meet the federally mandated deadline requirement for ADA/504, comply in a cost effective manner with the Life Safety and High Rise ordinance, and have design services available to meet the needs of the critical capital maintenance projects (such as façade repairs and plumbing riser upgrades), the Capital Construction Department determined exercising Option Year One of the PDC contracts is in the best interest of the CHA. The increase in the funding for the PDCs is essential if the CHA is to successfully complete the Major Capital Projects Plan for 2012 and 2013. Without an increase in funding, the CHA will be in jeopardy of missing critical construction deadlines due to insufficient PDC capacity for design services.

The design fees necessary to meet the CHA's goals for the above are identified below:

| Program | Value of Construction | Design Fee Needs |
|--|------------------------------|-------------------------|
| Senior Housing Life Safety / Capital Maintenance | \$30,500,000.00 | \$3,202,500.00 |
| ADA/504 Federal requirements | \$11,000,000.00 | \$1,155,000.00 |
| Scattered Sites | \$35,175,000.00 | \$4,992,750.00 |
| Unit Acquisitions | \$9,240,000.00 | \$1,386,000.00 |
| Aggregate increase to NTE value for all three (3) Contracts | | \$10,736,250.00 |

The first two (2) Design Fees are based on the industry standard of 10.5% of the value of construction, as recommended by the Illinois Capital Development Board. The Scattered Sites and Unit Acquisitions design fees were increased to 15% primarily due to the distinctive elements of the wide variety of properties included in this program.

The \$10,736,250.00 will be distributed among the PDCs using the original base contract percentages, which were developed based on the anticipated amount of work to be performed in each region.

| PDC | Primary Region | Secondary Region | Percentage | Design Fees |
|-------------------|-----------------------|-------------------------|-------------------|------------------------|
| HED | North | South | 35% | \$3,757,690.00 |
| H&R | Central | North | 33% | \$3,578,750.00 |
| GEC | South | Central | 32% | \$3,339,810.00 |
| TOTAL FEES | | | | \$10,736,250.00 |

Two (2) major options to address the design fees necessary for 2012 and 2013 received extensive consideration :

Option A – Exercise Option Year No. 1 and Increase Funding of Current Firms

Advantages

- A construction deadline of December 31, 2013 had already been put in place to complete various projects planned in order to make the CHA fully compliant with ADA/504 Federal regulations, and not only meet but achieve early compliance with local Life Safety requirements. The lead times needed to design this work in order to allow a sufficient period to bid out the resultant construction work and complete it necessitated that design services be in place by June 2012. By utilizing the current PDCs, the CHA avoids the considerable loss of time, measured in months, that would be needed to create and process a new procurement for PDCs and bring it before the Board of Commissioners for approval.
- The CHA will realize additional efficiencies in time and cost by using PDCs who have built up a strong familiarity with the CHA's building portfolios, and already have experienced teams in place, ready to begin work immediately.
- The CHA will have the best chance to meet the Capital Maintenance deadlines

outlined in the 2012-13 Major Capital Projects Plan.

Disadvantages

- In this instance, it does not allow for the participation of new design firms.

Option B – New Procurement for Design Services

Advantages

- Increased participation of “new” design firms working with the CHA.

Disadvantages

- Seriously jeopardizes the CHA’s ability to meet the December 2013 construction deadlines.
- Past experience with new PDCs has demonstrated that an extended learning curve will be necessary for them to understand the CHA’s portfolio and design requirements, losing additional valuable time.

The Capital Construction Department recommends Option A.

- Exercise the first option year of the PDC contracts and increase their design capacity to support the Capital Construction Programs for 2012 and 2013.
- The increased design capacity will support the goals presented in the Annual Plan for Capital Improvement. These goals include Life Safety, ADA/504 compliance, Scattered Sites, and Unit Acquisition requirements.

Based on the foregoing, the Capital Construction Department believes that it is in the CHA’s best interest for the Board of Commissioners to authorize the Chief Executive Officer or his designee to execute Amendment No. 04 to Contract No. 9048 with Harley Ellis Devereaux and Contract No. 9049 with Holabird & Root, LLC, and Amendment No. 2 with Globetrotters Engineering Corporation to increase the not-to-exceed contract amount for additional Prime Design Consultant services at various CHA properties and exercise Option Year No. 1 for each contract.

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The exercise of Option Year No. 1 will extend each contract end date from June 30, 2012 to June 30, 2013. The new term of each contract will be July 1, 2009 through June 30, 2013.

Each Amendment is subject to the Contractor’s continued compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

RESOLUTION NO. 2012-CHA-33

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2012, entitled "AUTHORIZATION TO EXERCISE FIRST OPTION YEAR AND EXECUTE AMENDMENTS TO INCREASE THE NOT-TO-EXCEED CONTRACT AMOUNTS OF CONTRACT NO. 9048 WITH HARLEY ELLIS DEVEREAUX, CONTRACT NO. 9049 WITH HOLABIRD & ROOT, LLC AND CONTRACT NO. 9050 WITH GLOBETROTTER ENGINEERING CORPORATION FOR ADDITIONAL PRIME DESIGN CONSULTING SERVICES";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute Amendment No. 04 to Contract No. 9048 with Harley Ellis Devereaux and Contract No. 9049 with Holabird & Root, LLC, and Amendment No. 2 with Globetrotters Engineering Corporation to increase the not-to-exceed contract amount for additional Prime Design Consultant services at various CHA properties and exercise Option Year No. 1 for each contract.

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